

**SENIOR CITIZENS
OUTREACH ENTITY, INC.
(A NONPROFIT ORGANIZATION)**

**Financial Statements
As Of and For the Year Ended
December 31, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

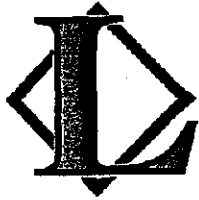
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SENIOR CITIZENS OUTREACH ENTITY, INC.
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
As of and For the Year Ended
December 31, 2005

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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

The Board of Directors
Senior Citizens Outreach Entity, Inc.
Richwood, Louisiana

We have compiled the accompanying statement of financial position of Senior Citizens Outreach Entity, Inc. (a Nonprofit Organization) as of December 31, 2005, and the related statements of activities, functional expenses, and cash flows for the year then ended in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Little & Associates LLC

Monroe, Louisiana
July 18, 2006

SENIOR CITIZENS OUTREACH ENTITY, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2005

Assets	
Cash	\$ 72,736
Account Receivable	43,116
Property and Equipment:	
Furniture and Equipment	21,699
Automobile	21,287
Leasehold Improvements	<u>51,420</u>
Total	94,406
Less Accumulated Depreciation	<u>(68,803)</u>
Net Property and Equipment	25,603
Restricted Assets - Certificate of Deposit	<u>23,515</u>
Total Assets	\$ <u><u>164,970</u></u>
Liabilities	
Accounts Payable	\$ 2,195
Note Payable	<u>16,815</u>
Total Liabilities	<u>19,010</u>
Net Assets	
Restricted	23,515
Unrestricted	<u>122,446</u>
Total Net Assets	<u>145,961</u>
Total Liabilities and Net Assets	\$ <u><u>164,971</u></u>

See accompanying notes and accountant's report.

SENIOR CITIZENS OUTREACH ENTITY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Contracts:			
Ouachita Parish Council on Aging	\$ 142,100	\$ -	\$ 142,100
Donated Use of Facility	36,000	-	36,000
Contributions	1,451	-	1,451
Other Income	3,713	-	3,713
Interest Income	<u>1,133</u>	<u>-</u>	<u>1,133</u>
Total Support and Revenue	<u>184,397</u>	<u>-</u>	<u>184,397</u>
Expenses			
Programs	103,858	-	103,858
Supporting Services:			
Management and General	<u>77,092</u>	<u>-</u>	<u>77,092</u>
Total Expenses	<u>180,950</u>	<u>-</u>	<u>180,950</u>
Change in Net Assets	3,447	-	3,447
Net Assets at Beginning of Year	<u>142,514</u>	<u>-</u>	<u>142,514</u>
Net Assets at End of Year	\$ <u><u>145,961</u></u>	\$ <u><u>-</u></u>	\$ <u><u>145,961</u></u>

See accompanying notes and accountant's report.

SENIOR CITIZENS OUTREACH ENTITY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2005

	Program Services	Supporting Services Management and General	Total
Alarm System	\$ -	\$ 359	\$ 359
Automobile	-	2,793	2,793
Advertising	-	90	90
Bank Charges	-	191	191
Contract Services	7,136	15,750	22,886
Depreciation	-	5,046	5,046
Donated Use of Facility	32,400	3,600	36,000
Dues	-	75	75
Education	-	20	20
Insurance	-	3,450	3,450
Interest Expense	-	798	798
Meals	28,523	-	28,523
Office Expense	-	2,160	2,160
Office Supplies	-	594	594
Other Expenses	962	2,211	3,173
Payroll	26,056	23,787	49,843
Postage	-	281	281
Professional Fees	-	4,500	4,500
Other Program Expenses	210	-	210
Repairs and Maintenance	-	939	939
Supplies	2,597	1,903	4,500
Subscriptions	420	-	420
Taxes - Payroll	1,986	954	2,940
Telephone/ Cable Television	1,222	2,985	4,207
Transportation	2,346	-	2,346
Utilities-Water, Gas, Electric, Cable	-	4,606	4,606
	\$ <u>103,858</u>	\$ <u>77,092</u>	\$ <u>180,950</u>

See accompanying notes and accountant's report.

SENIOR CITIZENS OUTREACH ENTITY, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2005

Operating Activities

Change in Net Assets	\$ 3,447
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	5,046
(Increase) Decrease in Account Receivable	26,292
Increase (Decrease) in Accounts Payable	1,770
Net Cash Provided By Operating Activities	<u>36,555</u>

Investing Activities

Purchase of Certificate of Deposit	(23,515)
Purchase of Property and Equipment	(1,864)
Purchase of Automobile	(21,287)
Net Cash Used By Investing Activities	<u>(46,666)</u>

Financing Activities

Proceeds from Bank Loan	21,017
Repayment of Bank Loan	(4,202)
Net Cash Provided By Financing Activities	<u>16,815</u>

Net Increase in Cash and Cash Equivalents	6,704
Cash and Cash Equivalents at Beginning of Year	<u>66,032</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>72,736</u></u>

Disclosure of Accounting Policy

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

See accompanying notes and accountant's report.

SENIOR CITIZENS OUTREACH ENTITY, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Senior Citizens Outreach Entity, Inc. (the Organization) is a not-for-profit organization established to enhance the quality of life for senior citizens as it relates to education, health care, economic development and recreational activities. The Organization, which was founded in 1997, provides services to senior citizens residing primarily in the Richwood, Louisiana area and operates under a contract with the Ouachita Council on Aging.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles.

FINANCIAL STATEMENT PRESENTATION

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. These three classes of net assets are described as follows:

Unrestricted Net Assets – consists of assets, public support, and program revenues which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted Net Assets – includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the organization.

Permanently Restricted Assets – includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the organization to expend all or part of the income derived from the donated assets.

PERVASIVENESS OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SENIOR CITIZENS OUTREACH ENTITY, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005

CONTRIBUTIONS

The Organization follows SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

CASH AND OTHER DEPOSITS

At December 31, 2005, the Organization maintains three bank accounts and a certificate of deposit at Iberia Bank. Accounts at the financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000 in total.

PROPERTY, EQUIPMENT, AND DEPRECIATION

Furniture and equipment acquired by the organization and leasehold improvements made by the organization are recorded at cost. Property and equipment donated to the organization are recorded at fair value. Property and equipment purchased or donated with a cost or value exceeding \$250 and having a useful life of more than one year are capitalized. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities. The Organization is not permitted to dispose of property and equipment without the consent of the Ouachita Council on Aging and/or various state agencies.

NOTES PAYABLE

As of December 31, 2005, the Organization had a note payable for the purchase of a van with a balance of \$16,815. The note had an interest rate of five (5%) percent and matured on March 23, 2006, at which time it was paid in full. At December 31, 2005, the note payable was collateralized by a certificate of deposit in the amount of \$23,515.

SUPPORT AND REVENUE RESTRICTIONS

The Organization reports support and revenue that is restricted by the donor as an increase in

SENIOR CITIZENS OUTREACH ENTITY, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005

temporarily or permanently restricted net assets depending on the nature of the restriction. When the restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and the supporting services benefited.

INCOME TAX STATUS

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and is classified as other than a private foundation.

NOTE 2 – REVENUE AND SUPPORT

The Organization's primary source of support and revenue for the programs and the administration of the Organization is through a grant received from the State of Louisiana Governor's Office of Elderly Affairs (Office of Elderly Affairs). Grant funds received from the Office of Elderly Affairs are passed-through from the Ouachita Council on Aging in accordance with the Organization's contract with the Ouachita Council on Aging.

NOTE 3 – DONATED USE OF FACILITY

The organization performs administrative functions and provides the majority of its programs in a facility, the use of which is donated by Hampco, Inc. Hampco, Inc. leases the facility from Pleasant Green Baptist Church, Inc. The annual lease amount under such lease agreement is \$36,000.

NOTE 4 – PROGRAM EXPENDITURES

The Organization operates several programs designed to satisfy the needs of senior citizens in Richwood, Louisiana.

The programs operated by the Organization are described as follows:

Meals on Wheels – The program provides food for those senior citizens who are unable to provide a healthy diet for themselves. Meals are served on-site and at the homes of sick and shut-in individuals, who are unable to come on-site to participate in the program.

SENIOR CITIZENS OUTREACH ENTITY, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005

Transportation – The program is designed to ensure that senior citizens participating in the program can have a safe reliable means of transportation to various civic organizations, to pay bills, to and from the organization's on-site location, to and from medical appointments, and for various other activities.

Recreational and Educational Activities – The program includes, but is not limited to, on site resource presenters who inform the senior citizens about health concerns affecting the elderly. Volunteers oversee survival skill activities such as grocery shopping, visits to the doctor, and paying bills. Also, various recreational activities, which include crafts and other interests, are provided on-site in order to promote social grouping, individual activities and day-to-day interaction in a safe and accommodating environment.

NOTE 5 – OPERATING LEASE

In 1998, the Organization entered into a cancelable lease agreement with St. James Missionary Baptist Church. In accordance with the terms of the lease agreement, the church leased the use of a van to the Organization for \$500 per month excluding holidays. However, in the year ending December 31, 2005, the Organization purchased a van to use as their primary source of transportation, thus no longer needing the lease of the van from St. James Missionary Baptist Church. Therefore, the lease was canceled during the year ending December 31, 2005. The total amount paid under this lease during the year ended December 31, 2005, was \$976. The lease expense for the van is reported in transportation costs in the statement of functional expenses.

NOTE 6 – FINANCIAL INSTRUMENTS

COLLATERALIZATION POLICY

The Organization does not require collateral to support financial instruments subject to credit risk.

CONCENTRATIONS

The Organization's primary source of current funding is through a grant received from the Office of Elderly Affairs. The grant agreement expires on June 30, 2006; however, the Organization has received a new grant through the Office of Elderly Affairs. Such grant will be for the period July 1, 2006, through June 30, 2007.

SENIOR CITIZENS OUTREACH ENTITY, INC.

Schedule of Findings, Responses and Corrective Action As of and For the Year Ended December 31, 2005

2005-01 Late Submission of Financial Statements to Legislative Auditor

Condition and Criteria: In accordance with state statutes, quasi-public organizations receiving \$50,000 in annual revenues and other sources, but less than \$200,000, are required to submit its compiled financial statements to the Office of the Legislative Auditor on or before the last day of the sixth month following the organization's year-end date. Senior Citizens Outreach Entity, Inc. ("SCORE") was required to submit its 2005 compiled financial statements on or before June 30, 2006; however, SCORE failed to submit its compiled financial statements on or before June 30, 2006.

Cause: Unknown

Effect: SCORE was not in compliance with applicable state statutes and with its agreement with the Ouachita Council on Aging.

Recommendation: Management of SCORE should implement procedures to ensure that the annual financial statements will be completed and submitted to the Office of the Legislative Auditor in accordance with the submission requirements of state statutes.

Management's View on Finding: Management agrees with the finding.

Corrective Action: Management agrees with the accountants' recommendation and will implement procedures to ensure that all future financial statements are timely submitted to the Office of the Legislative Auditor.